UNITED
NATIONS

TD

United Nations
Conference
on Trade and
Development

Distr.
GENERAL

TD/B/EX(25)/2
14 August 2000

Original: ENGLISH

TRADE AND DEVELOPMENT BOARD
Twenty-fifth executive session
Geneva, 22 September 2000

UNCTAD'S CONTRIBUTION TO THE IMPLEMENTATION OF THE UNITED NATIONS NEW AGENDA FOR THE DEVELOPMENT OF AFRICA IN THE 1990s

ACTIVITIES UNDERTAKEN BY UNCTAD IN FAVOUR OF AFRICA

Report by the Secretary-General of UNCTAD

GE.00-51800 (E)

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INTRODUCTION

1. It is recalled that the Trade and Development Board considers annually, at one of its executive sessions, a report on UNCTAD's activities in favour of Africa. The present document is the fourth in the series since the fifteenth executive session of the Board. It provides an overview of the general thrust of research and analysis being undertaken by UNCTAD with regard to African development, as well as a summary of specific activities, including advisory services and technical cooperation, in each sector falling under UNCTAD's mandate. This report complements and updates the information on the activities referred to in document TD/B/EX(21)/2, submitted to the twenty-first executive session of the Board in July 1999. In the discussions at that session, several delegations and regional groupings expressed their satisfaction with the reporting by the UNCTAD secretariat. The secretariat was asked to provide, where possible, an indication of the impact of UNCTAD's activities. In this connection, such an assessment is included where appropriate. It is nevertheless recalled that, with regard to UNCTAD's technical cooperation activities, the Board is apprised of the result and impact of such activities in its annual consideration of technical cooperation.

POLICY RESEARCH AND ANALYSIS

A. Consideration by the Trade and Development Board of UNCTAD's contribution to the implementation of the UN-NADAF

2. For the Board's consideration of this item at its forty-sixth session, the UNCTAD secretariat prepared a report on African transport infrastructure, trade and competitiveness. The report built on earlier analyses of African economic performance by the UNCTAD secretariat. The aim was to assess the extent to which transport problems had adverse effects on African trade and balance of payments, to analyse the underlying factors that account for key problems and to explore specific policy issues that had to be addressed in order to resolve those problems. Particular emphasis was given to policy options for financing transport infrastructure and the need for, and priorities in, regional and subregional cooperation. The report concluded that increased investment in transport infrastructure facilities, equipment and services was central to the creation of a dynamic investment-export nexus in Africa as transport was an important determinant of competitiveness. The discussion at the Trade and Development Board, with the participation of experts, led to the adoption of agreed conclusions on many of the aspects mentioned above.

3. In the light of the agreed conclusions adopted by the Board at its forty-sixth session, the UNCTAD secretariat has undertaken a study on "Capital flows and growth in Africa" (UNCTAD/GDS/MDPB/7). The study argues that growth in Africa continues to be too erratic and too slow to permit an increase in both living standards and domestic savings. Since private capital inflows, particularly foreign direct investment (FDI), lag behind rather than lead growth, the task of filling the resource gap inevitably falls on official financing. Breaking the vicious circle of low growth and poverty requires inter alia a sustained injection of external financing in amounts large enough (double the current flows of official development assistance (ODA)) to give a major push to the region to accelerate and maintain growth at levels higher than in the past. In a decade or so, such a process would help reduce aid dependence in two ways. First, rapidly rising income would allow domestic savings to rise, thereby increasing the amount of

total investable resources, and secondly, sustained growth would attract private capital as a substitute for official financing. But if the minimum quantum of resources needed to initiate and sustain such a process is not provided, aid dependence is likely to be perpetuated. The study also discusses the policy approaches needed to ensure that aid is effectively translated into investment and growth, keeping in mind the policy mistakes made during both the pre- and post-adjustment periods.

B. Least Developed Countries Report 2000

4. The first part of the Least Developed Countries Report 2000 will outline the new policy environment in LDCs following the adoption of adjustment programmes throughout the 1990s. It will also describe development trends in the 1990s in the light of the goals of the Paris Declaration and the Programme of Action for the 1990s. The second part will examine the issue of financing development in LDCs. It will focus on international measures being undertaken in the areas of debt relief, ODA and international trade to support development in LDCs. In addition, it will examine the extent to which these measures are mutually supportive, particularly in terms of the development of productive capacities in LDCs.

SECTORAL ISSUES

A. International trade

1. UNCTAD/WTO/ITC Joint Integrated Technical Assistance Programme for Selected Least Developed and Other African Countries (JITAP)[1]

5. It is recalled that JITAP's objectives are the following: implementation of a series of interconnected activities aimed at building national capacity to better interpret the World Trade Organization (WTO) Agreements and their development implications for each beneficiary country, including for trade negotiations; adapting the policy and regulatory framework to the WTO Agreements; and enhancing the country's capacity to take advantage of the WTO Agreements through improved export readiness.

6. Since the last reporting period, pledges to the JITAP Common Trust Fund for beneficiary countries from 13 donor countries[2] amounted to US$ 8.2 million out of the estimated requirement of US$ 10.3 million. The Fund is managed by the International Trade Centre (ITC) and supervised by a Steering Group of representatives of donors, beneficiaries and the secretariats of ITC, UNCTAD and WTO.

Output/impact

7. In 1999, assistance delivered under JITAP amounted to just under US$ 3 million. Decentralizing the programme during the summer/autumn of 1999 and greater involvement of the partner countries in the various local activities of the programme contributed to increasing the delivery rate. For its part, UNCTAD, in addition to supporting together with ITC and WTO the heavy administrative tasks associated with JITAP activities, took the lead in facilitating, or participated in, the activities described below.

8. National symposia were held in five countries prior to WTO's Seattle Ministerial Meeting [3] These were seen as the main milestones of the programme in that they contributed to preparing the countries for the Meeting. UNCTAD produced seven country-specific studies assessing the impact of the multilateral trading system (MTS) on national economies. The national symposia were attended by representatives from all the stakeholders: government officials, parliamentarians, private sector representatives, non-governmental organizations and academia. They were described by many stakeholders as important elements for creating national consensus on trade and related development issues.

9. Computers and accessories have been procured and delivered by UNCTAD to four JITAP countries (Ghana, Kenya, Uganda and the United Republic of Tanzania) in order to set up reference centres on the MTS for the academic and research community. The managers of the centres were trained by an ITC expert.

10. Under the programme, a three-week special training course on ASYCUDA was organized for six customs officials, three each from Benin and Burkina Faso, at the ECOWAS Community Computer Centre in Lomé (Togo) in September-October 1999. The training was intended to help prepare these countries in shifting to more advanced versions of the ASYCUDA software.

11. A JITAP Web site (jitap.org), jointly prepared by ITC, UNCTAD and WTO, has been set up and is maintained by ITC. An electronic communication and discussion facility, which will form an integral part of the JITAP Web site, has also been developed and a prototype has been successfully tested. Work on the facility will be completed during the current year and it will be managed by ITC.

Review of the JITAP Programme

12. In early 1999, the JITAP management commissioned a Business Process Review (BPR) of the programme (the report of which was sent to Steering Group members in July 1999), identifying key issues impeding the delivery and sustainability of the programme and suggesting solutions. These were principally: (i) decentralization of the programme in Geneva and to the field, and (ii) related provision of urgently needed financial support to the countries for undertaking national-level activities such as MTS training and dissemination. At the end of July 1999, a JITAP mission to Africa consulted on solutions together with focal points and other counterpart organizations. The frame of reference was the BPR report. During the discussions, the lack of JITAP financial support for national MTS training and other activities emerged as the key issue, and there was a strong consensus among focal points that this problem needed to be addressed fully and immediately if JITAP was to achieve its objectives. The mission found none of the countries in a position to finance the necessary MTS training and dissemination programmes. Also, most of the countries, particularly the LDCs, were unable to initiate effectively the WTO/inter-institutional processes or support all recurrent costs.

13. As a result of the mission, it was determined that funds in the order of US$ 500,000 programme-wide were urgently needed for a number of national initiatives and could be obtained from economies under the cluster approach. To gain momentum and time, while maintaining the prerogatives of the Steering Group under Common Trust Fund (CTF) by-laws, the three agencies

agreed to limit initial funding to half this amount, i.e. about 3 per cent of average project costs. These limited funds were made available in 1999 along with guidelines for specific activities through the offices of the United Nations Development Programme (UNDP), with approval authority vested in regional coordinators. Feedback from the field indicates that planning and implementation of national activities in the areas concerned have begun, but not in all cases at the pace expected.

14. Additional facilitative support may be needed to help partner countries prepare local training and dissemination activities in synergy with other JITAP programme activities. This and, more broadly, capacity-building opportunities and objectives need to be reviewed in the light of the programme activities that interact and reinforce one another. Furthermore, an analysis is foreseen of current programme methodologies in selected areas of key relevance to capacity building, e.g. the work of the inter-institutional committees, as well as of capacity in key institutions. The capacity-building strategy for JITAP will be updated, including articulation of end-of-project status and benchmarks. Programme implications will then be set out. This effort is under way.

2. Integrated Framework for Trade-related Technical Assistance to support least developed countries in their trade and trade-related activities

15. During the reporting period, the Inter-Agency Working Group met in Geneva in November 1999 and January 2000. Individual responses have been prepared by the six agencies in the light of the needs assessments submissions by 40 least developed countries. The second phase consists of organizing full-scale round-table meetings for each LDC. The Group considered a status report prepared by the Administrative Unit on the preparatory study of round tables and multi-year programmes in the 40 LDCs that had completed needs assessments. It also reviewed in depth and exchanged views on problems encountered and concerns expressed, and considered possible solutions. Among the major problems considered was the lack of financing for the Programme, no pledges having been made by donor Governments. In addition, the Group exchanged views on the review of the Integrated Framework as mandated and agreed that such a review should include a number of elements and criteria for its conduct. Furthermore, the World Bank would select a competent individual to provide an initial draft evaluation of the Integrated Framework, which would be prepared in consultation with the Inter-Agency Working Group, LDC Governments and the donor community as appropriate, based on the elements identified by the Working Group. The initial draft would be considered and revised by the Ad Hoc Working Group and after clearance by the core agencies. The report would be forwarded to the General Council of the WTO as well as to the governing bodies of the other core agencies.

3. Coordinating Workshop of Senior Advisors to Ministers of Trade in LDCs to prepare for the Third WTO Ministerial Conference

16. UNCTAD organized a five-day Coordinating Workshop of Senior Advisors to Ministers of Trade in the least developed countries from 21 to 25 June 1999. Two participants from each of the 29 LDCs which are members of WTO and the 8 LDCs at various stages of accession to the WTO participated in the workshop.

17. The workshop provided an important opportunity for LDC trade negotiators, including those from African LDCs, to jointly review a range of issues arising from the implementation of the Uruguay Round Agreements with a view to the formulation by LDC representatives of appropriate strategies for the WTO Ministerial Meeting in Seattle and the new round of negotiations.

4. Third United Nations Conference on the Least Developed Countries

18. In the context of the preparations for the Third United Nations Conference on the Least Developed Countries, three expert-level preparatory meetings on accelerating the integration of LDCs into the international trading system were convened in late 1999, two of which were convened for francophone and anglophone African LDCs respectively.

5. UNDP/UNCTAD technical assistance programme for Africa

19. The "Fast Track Module" on Support for On-going Multilateral Trade Negotiations under the UNCTAD/UNDP project for capacity building for trade development in Africa was launched in June 1999, in an agreement signed by UNCTAD and UNDP. The total funds of US$ 1.3 million were transferred by the United Nations Office for Project Services to UNCTAD for the implementation of the services and facilities in the Fast Track Module. The Module aims to provide African Governments and other stakeholders with critical and timely assistance that would enable them to formulate strategic and proactive trade policies and attendant negotiation objectives. These have included negotiations for the Third WTO Ministerial Conference and future negotiations, and negotiations for the agreement to succeed the Lomé Convention.

20. Under this programme, a number of subregional workshops were organized in cooperation with the subregional grouping concerned: COMESA member States (Harare, Zimbabwe, 16-20 August 1999); ECOWAS member States (Abuja, Nigeria, 23-27 August 1999); SADC member States (Cape Town, South Africa, 30 August-3 September 1999); and ECCAS member States (Libreville, Gabon, 25-29 October 1999). The workshops were attended by senior policy makers and trade negotiators (in the countries, in Geneva and in Brussels) dealing with subregional and multilateral trade issues and the Lomé Convention. They were serviced by experts from the Organization of African Unity (OAU), the African Economic Community (AEC), UNCTAD and UNDP. In addition, advisory support for assessing trade negotiation proposals was provided to Geneva-based African trade negotiators during the final phases of the preparatory process for the Third WTO Ministerial Conference. In addition, three studies on key trade sectors of particular importance to African countries are being undertaken under this programme, as identified at the regional African positive agenda meeting held in South Africa (Pretoria, 29 June–2 July 1999) in cooperation with the OAU/AEC.

21. Future work planned under this programme will include preparation of African countries and regional trade organizations for proactive and effective participation in the forthcoming negotiations on agriculture, services and issues related to the post-Seattle process. Furthermore, workshops are envisaged for the countries of the Southern African Development Community (SADC) and the East African Community (EAC) in the context of the Coordinated African Programme of Assistance on Services (CAPAS) in preparation for forthcoming WTO

negotiations on services. In addition, workshops are envisaged for Brussels-based African trade negotiators and negotiators from the Caribbean and the Pacific on future ACP-EU negotiations as well as for African negotiators on competition policy and investments in the context of the TRIMs review, trade and environment, technology and other emerging issues.

6. Other trade-related technical assistance

22. In collaboration with the Islamic Development Bank, UNCTAD prepared three studies - on the WTO Agreement on Trade-related Investment Measures (TRIMS), the Agreement on Agriculture and the General Agreement on Trade in Services (GATS). The studies provided the basic documents for the Consultative Meeting of the Organization of the Islamic Conference (OIC) in October 1999, which was attended by representatives from the 53 OIC member States (many of which are African), the Islamic Chamber of Commerce and Industry, WTO and UNCTAD, whose resource persons presented the three studies. The meeting discussed broad issues of interest to the OIC member States relating to possible areas for future trade negotiations, as well as issues in the WTO built-in agenda.

23. Together with the Government of Zimbabwe and UNDP, UNCTAD prepared a study on "The impact of the WTO Agreement and other trade agreements on the economy and external trade of Zimbabwe", together with six sector-issue-specific reports covering respectively implementation of and compliance with the WTO Agreements, requirements for the adaptation of national legislation, tariff policy, the textile industry and the agricultural sector.

7. Commodities

24. UNCTAD prepared a draft Operational Framework for Action on Diversification of African Economies, which was discussed at the Ad Hoc Expert Group Meeting on Revisiting the Diversification of African Economies in the New Global Context, organized by the Office of the Special Coordinator for Africa and the Least Developed Countries of the Department of Economic and Social Affairs in New York from 22 to 24 November 1999. The framework was then revised in the light of the discussions at that meeting and will be submitted to the ninth session of the Steering Committee of the United Nations System-wide Special Initiative on Africa. Its novelty lies in: providing a typology of African countries with different needs in terms of diversification; including explicit premises and a strategy based on a logical sequence of activities; indicating the various critical points where action is likely to be needed; and providing indications regarding the responsibilities of, and interactions between, different actors and stakeholders. The framework also provides a benchmark against which commitments can be made, action and progress assessed, and follow-up planned.

25. African countries will be major beneficiaries of an interregional project on "capacity building for diversification and commodity-based development". The objectives of this project, which will be implemented during 2000 and 2001, are to: (i) promote the horizontal, vertical and geographical diversification of production and trade structures; (ii) improve Governments' capacities to formulate focused, effective and sequenced policies in this respect; (iii) increase the competence of enterprises in adapting their business strategies and supplies to the post-Uruguay Round trading framework; and (iv) strengthen positive linkages between the commodity sector and the rest of the economy.

26. A project financed by the Common Fund for Commodities on the sugar policy in Swaziland, focusing on small-scale producers, has been completed and a report is being prepared for publication.

27. The African Regional Symposium on Trade Liberalization and Diversification of the Agricultural Sector was held on 17 and 18 May 1999 in Abidjan.[4] The conclusions and recommendations reached by the participants covered the following areas: market opportunities and trade-related barriers for commodity-dependent African countries, including domestic support measures in importing countries; African domestic support measures in the light of WTO Agreements, including the problems of net food-importing countries; preferential treatment for African exports in the light of global liberalization; issues that commodity-dependent African countries would like to include in the next round on agriculture; and scope for cooperation among African countries, and with other developing regions.

28. In the area of commodity risk management and finance, cooperation with the African Export-Import Bank resulted in a joint publication on structured commodity finance, and the Bank's wide distribution of UNCTAD's manual on documentary credit risk among African banks. On commodity risk management, UNCTAD has interacted with Ghana, Kenya and South Africa on the process of developing new commodity exchanges. The annual conferences on oil trade and finance (the 1999 conference in Namibia attracted some 180 participants, including several ministers) have been the most visible part of the work on improving oil trade and financing practices in Africa.

8. Trade and environment

29. In response to strong interest expressed by a number of African countries, the UNCTAD secretariat has increasingly paid attention to their particular conditions and needs in the area of trade, environment and development, both in its publications and in its technical cooperation programme.

30. Uganda and the United Republic of Tanzania are participating in the project entitled "Strengthening research and policy-making capacities on trade and environment in developing countries". UNCTAD has been cooperating with the United Nations Environment Programme (UNEP) in a study on the environmental implications of trade liberalization and structural adjustment policies in the fisheries sector (Lake Victoria region). Following the successful completion of an UNCTAD/UNDP project to assess potential agricultural alternatives to the production and export marketing of tobacco from Malawi, the national authorities have requested further activities in the area of trade and environment. These include TRAINFORTRADE-2000 training and policy dialogues. A study on standards and trade in Southern Africa will be carried out under a project funded by the International Development Research Centre.

31. A TRAINFORTRADE-2000 project for capacity building in trade and sustainable development in West Africa (Benin, Burkina Faso and Mali) is expected to be approved soon.

32. Capacity-building projects for Mozambique and other lusophone countries in Africa (initially Cape Verde and Sao Tome and Principe) are in preparation. In the case of Mozambique, workshops were held in July and October 1999 with the objectives of: (a) raising awareness of trade and environment issues at the government and civil society levels, including the business sector; (b) promoting policy dialogues for policy formulation; and (c) training.

9. Competition policy

33. Activities carried out by UNCTAD during the reporting period include: (a) provision of assistance to Mauritania in redrafting and finalizing competition law and to Madagascar in preparing national competition and consumer protection legislation, including the organization of a national seminar on competition law and policy in December 1999; (b) contribution to the work on elaborating a common approach to competition policy for the member States of the Common Market for Eastern and Southern Africa (COMESA); and (c) organization of a national training workshop on competition policy in May 1999 in Zambia to enhance the capacity and institution building of the Zambia Competition Commission.

34. In addition to the above, a regional seminar on "Competition policy, trade and development" was jointly organized in Lusaka by UNCTAD, COMESA and the Zambia Competition Commission. Its aim was to consider the relationship between the objectives and instruments of trade investment and competition policies; the experience of other integration groupings; and the role of cooperation and communication in competition law and policy.

10. TRAINFORTRADE

35. The TRAINFORTRADE training capacity has been strengthened to incorporate modern distance learning techniques. Its CD-ROM courses have also been updated and adapted accordingly. All pedagogic material thus developed takes into account LDCs' capacities and needs, and all LDCs can therefore fully benefit from the programmes.

36. Missions were undertaken to Benin, Burkina Faso, Cape Verde, Mali and Mozambique in order evaluate the existing distance learning capacities and to investigate the possibilities of implementing TRAINFORTRADE distance learning programmes and networks in these countries. In Benin, Burkina Faso and Mali, a regional steering committee has been established, grouping ministries of trade and those of environment, chambers of commerce, universities as well as institutes involved with exports and imports.

37. In the context of a regional Port Certificate project in West Africa, 17 managers of Benin's Port Community (Cotonou) successfully completed the training and were awarded Modern Port Management Certificates. The possibility of implementing a Port Certificate programme in Togo is under discussion.

38. A training of trainers seminar was held in Lisbon (Portugal) from 15 November to 3 December 1999 for lusophone African countries (Angola, Cape Verde, Guinea Bissau, Mozambique and Sao Tome and Principe).

B. Services development

1. Coordinated African Programme of Assistance on Services (CAPAS)

39. At the end of 1999, the series of workshops on trade in services was launched in order to prepare African trade negotiators for the upcoming negotiations within the framework of GATS. A subregional seminar for UEMOA member States was held (Abidjan, Côte d'Ivoire, 14-16 December 1999) in conjunction with ongoing work by UNCTAD and other agencies within the framework of CAPAS. Two other subregional seminars for EAC member States and for SADC member States will be held in 2000.

40. A project entitled "Developing countries becoming a global player: Opportunities in the music industry" was prepared at the request of SADC for its ninth session of Ministers of Culture, Information and Sports. It is aimed at strengthening the supply capabilities of cultural industries in Africa, with special emphasis on music. The project document was discussed and further elaborated at a meeting held in Lilongwe (Malawi) in May 2000.

41. In the first phase, six SADC countries will participate in the national case studies, namely Angola, Malawi, Mauritius, Mozambique, Namibia and South Africa. The general framework has been elaborated and agreed upon between SADC and UNCTAD. SADC is currently in the process of seeking funding for the project.

2. Trade Point Programme

42. By the end of the reporting period, there were 34 Trade Points in various stages of development in 21 African countries. Nine of these are currently operational (six in Egypt, and one each in Morocco, Senegal and Zimbabwe). Seven other Trade Points are in the process of being established as legal and operational entities (in Côte d'Ivoire, Egypt, Ethiopia, Mozambique, Tunisia, Uganda and the United Republic of Tanzania). Eighteen Trade Points are at the feasibility stage (in Algeria, Benin, Botswana, Burkina Faso, Cameroon, Cape Verde, Eritrea, Gabon, Gambia, Ghana, Guinea-Bissau, Kenya, Mali, Mauritania, Sao Tome and Principe, Sudan, South Africa and Zambia). However, funding is not yet available for their establishment. Furthermore, requests from 10 African countries (Angola, Chad, the Democratic Republic of the Congo, Djibouti, Lesotho, Madagascar, Malawi, Mauritius, Namibia and Togo) are at the preliminary or study stage. Owing to a lack of resources, it has not been possible to undertake missions with a view to the eventual establishment of Trade Points in these countries.

43. Under the ITC/UNCTAD/WTO Joint Integrated Technical Assistance Programme for Selected Least Developed and Other African Countries (JITAP)[5], Trade Point missions were carried out in Uganda and the United Republic of Tanzania with a view to putting in place a set of trade information services suited to the needs of both countries and providing related training to the Trade Point staff. Follow-up activities under this project will be undertaken in these two countries in the first quarter of 2000, and Trade Point activities will start in other African countries, namely Benin, Burkina Faso and Côte d'Ivoire.

44. With regard to trade support services, the Trade Point Casablanca developed its activities thanks to the Mediterranean 2000 project. It upgraded the skills of its staff, and marketed its

products and services worldwide through an important media campaign and the creation of its own Web site (http //www tpcasa org ma) The Trade Point staff received training in the preparation of web pages, electronic company catalogues and virtual exhibition centres on the Internet

3 ASYCUDA

45 The Automated System for Customs Data (ASYCUDA) has been installed in, or is currently being implemented in, 25 African countries, with another three projects currently being formulated and awaiting donor funding

46 In 1999 a new national ASYCUDA project for the migration to version 3 in Zimbabwe was formulated and financing agreed to by the donor, with activities beginning in September 1999 In Rwanda the donor, already providing institutional support to the Rwandan Revenue Authority, has requested UNCTAD to prepare a document to further the use of ASYCUDA and provide ongoing support to ensure its sustainability It is expected that UNCTAD will provide ad hoc technical support to assist the Rwandan Customs Department during 2000

47 In the COMESA region, 12 countries have installed the system or are currently implementing it, and a new regional project was scheduled to begin for COMESA countries in mid-1999 An interim bridging project for the COMESA ASYCUDA-EUROTRACE Regional Centre, funded by the European Union, was also agreed and finalized and came into effect, pending the approval of the follow-up, Phase II, regional project However, the second part of the bridging project was delayed owing to the late receipt of funds, which impacted on the technical support that could be provided by UNCTAD to user countries at a critical time

48 Nine countries belonging to the Economic Community of West African States (ECOWAS) have installed the system A new regional project was initiated to provide joint activities with the ECOWAS Computer Centre in Lomé UNCTAD is to assist with implementation of version 2 7 and prepare a technical and functional base for future migration to version 3 It is expected that a number of countries in the region will be seeking to migrate to version 3 in due course

49 During 1999 considerable technical support and advice were provided by UNCTAD to African countries, either directly or in conjunction with the established regional support centres, to assist countries in ensuring Y2K compliance As a result of this action and coordination with the COMESA and ECOWAS regional centres, the majority of user countries' operational systems were unaffected by the changeover to 2000 However, a number of countries have requested further in-country training relating to version 2 7, whilst others require technical assistance with additional system installations within their national installations, owing to the late delivery of equipment and proprietary software The ASYCUDA programme will continue to provide this support in 2000

4 Transport

ACIS

50. ACIS provides operational and financial information so as to increase the transparency of the transport sector. The information provided to the shipper "live" gives the whereabouts of cargo, and the information provided to the operational management increases the efficiency of the network. Medium- and long-term investment planning is enhanced through the aggregate statistics and performance indicators that ACIS produces automatically.

Output/results/impact

51. 1999 saw the beginning of RailTracker implementation in Malawi, Mozambique and Zimbabwe and the development of the Railway Backbone Information System which, by the end of 2000, will link together all the railways of Southern Africa. A number of national RailTracker systems are being linked together (those of Malawi, Mozambique, the United Republic of Tanzania, Zambia, Zimbabwe) and will then be interfaced with SPRINT, the South African Railways' Tracking System. This project is funded by the United States Agency for International Development (USAID) under the auspices of the Southern African Transport and Communications Commission (SATCC) and the newly created Southern African Railway Association (SARA).

52. Insofar as impact is concerned, the Tanzanian Railway Corporation undertook a study to measure the benefits accruing from RailTracker. The results were impressive. Between 1994 and 1999 there was a reduction, on average, in:

- Wagon turnaround time from 18 to 13 days;
- Wagon detention at terminals from 8 to 4 days;
- Daily interchange balance from 203 to 108 wagons;
- Dwell time of foreign wagons from 28 to 12 days;
- Transit times from 15 to 3 days.

During the same period there was an increase, on average, in:

- Locomotive utilization from 280 to 380 kilometres per day;
- Wagon utilization from 73 to 120 kilometres per day.

53. In 1999 this same railway introduced the RailTracker Billing system and therefore financial information is now available. The newly privatized railway in Cameroon also introduced that system, and it is now being introduced in other continents.

5. Insurance

54. A programme of training for insurance supervisory authorities of African countries[6] has been developed. In 1999, three events were organized under this programme:

(a) "Monitoring of reinsurance operations for African insurance supervisors", held in Tunis (Tunisia) in June, in which 34 representatives from 16 African countries participated;

(b) "Building African insurance supervisory capacity", held in Addis Ababa (Ethiopia) in October, in which 37 representatives from 33 African countries participated;

(c) A seminar for African insurance supervisors held in Pretoria (South Africa) in July, in which 30 representatives from 17 African countries participated.

55. The events were organized in close cooperation with the African Insurance Organization (AIO), the Association of African Insurance Supervisory Authorities and the Conférence Interafricaine des Marchés d'Assurances (CIMA), and were coordinated with the International Association of Insurance Supervisors (IAIS). Strong support was received from key insurance supervisory offices, developed countries, and leading international reinsurers, insurers, brokers and rating agencies.

56. UNCTAD conducted a workshop in Addis Ababa (Ethiopia) in October 1999 for African insurance trainers and educators, which led to the establishment of an African association of insurance training institutes. It also led to the adoption of a work plan for the establishment of a "virtual" African Institute through which all African training institutes will share resources and develop quality control of training offered. UNCTAD assisted in undertaking a needs assessment and a project on the development of an effective insurance regulatory and supervisory framework in Mauritania, as well as projects on development of banking and insurance training institutions in Ethiopia.

57. In May 1999 in Fez (Morocco) UNCTAD led the meeting of African export credit insurers in the framework of the annual conference of the African Insurance Organization. The meeting recommended the organization of a conference in 2000 on developing credit insurance and credit information facilities in Africa.

Impact

58. Since the start of the programme in 1994, 18 African countries have made important changes to their regulatory and supervisory framework. The number of supervisory authorities has increased from 8 to more than 30, the existing industry and regulatory regional associations have been strengthened, and cooperation within the industry has been expanded.

6. Trade facilitation

59. Within the terms of the Memorandum of Understanding between UNCTAD and the Liaison Committee for the Promotion of Tropical Fruits and Off-season Vegetables Exported

from ACP States, UNCTAD participated in the delivery of two workshops on fresh produce logistics in the West African region. The workshops were attended by 50 people and were held in Benin in 1998 and in Burkina Faso in 1999.

60. In 1999, UNCTAD and the Economic Commission for Africa (ECA) cooperated in the organization of a workshop on trade facilitation in Addis Ababa. Feedback from UN/ECA is currently expected so that the contents of the workshop can be finalized and a delivery planned. Moreover, in close cooperation with ITC, substantive preparations were made for an in-depth study on trade facilitation issues in Tanzania.

C. Debt, debt management and financial flows

1. Paris Club

61. The UNCTAD secretariat continues to participate as an observer in meetings of the Paris Club for the renegotiation of official bilateral debts of developing countries. In 1999 and the first half of 2000, a total of 11 countries negotiated a rescheduling or restructuring of their debts with Paris Club creditors. Five of them were from sub-Saharan Africa, namely Mauritania, Mozambique, Sao Tome and Principe, the United Republic of Tanzania and Zambia. Two of those countries were the first to benefit from Cologne terms under the enhanced Heavily Indebted Poor Countries (HIPC) initiative. Mauritania in March 2000 and the United Republic of Tanzania in April 2000 obtained a 90 per cent debt service reduction in present value terms, with notably all creditors choosing the option of outright cancellation of payments due during the consolidation period. Mozambique had already earlier obtained 90 per cent debt reduction under the terms of its July 1999 stock agreement with the Paris Club under the original HIPC framework. Following the devastating floods which affected Mozambique in early 2000, the Paris Club decided to defer all payments due by this country until it reached the HIPC completion point (scheduled for mid-2001). Zambia (in April 1999) and Sao Tome and Principe (in May 2000), for their part, secured Naples terms relief, involving a 67 per cent debt service reduction in present value terms. For Sao Tome and Principe, this was the first-ever Paris Club agreement.

62. Through its analytical work on the development and external financing problems of African countries, as well as specific advisory services aimed at helping those countries strengthen their debt management and negotiation capacities, UNCTAD can play a valuable role in helping debtor countries obtain optimum debt relief. This advisory capacity should be strengthened by the recent amalgamation of debt analysis and DMFAS activities into the same organizational unit.

2. HIPC initiative

63. The debt overhang remains one of the major problems faced by African countries. UNCTAD has continued its research and policy analysis in the area of developing country debt, including that of the African countries and the HIPCs. A task force created by the Executive Committee on Economic and Social Affairs and led by UNCTAD prepared a report entitled "Finding solutions to the debt problems of developing countries". This report ,which was published on 28 May 1999, was updated in December 1999. It undertook a critical analysis of the debt situation and suggested solutions to deal with the debt overhang at the international level, including wider, deeper and faster relief for the HIPCs. Despite the introduction of the

enhanced HIPCs initiative and calls for faster relief, major delays have occurred. Therefore, innovative measures and solutions are required by the international community. It is recalled that, at UNCTAD X, it was agreed that consideration should be given to writing off debt deemed unpayable.

3. Debt Management and Financial Analysis System (DMFAS)

64. UNCTAD's work in the area of debt is further strengthened by the Debt Management and Financial Analysis System (DMFAS) and has now been extended to 60 developing indebted countries. The Programme not only helps developing countries to manage their debt, but also is a major tool to enhance the capacity of indebted countries to enter into debt negotiations with their development partners.

65. The DMFAS Programme continues to be very active in Africa, 18 countries[7] having adopted its computer-based debt management system. During the period covered by this report, the Programme signed three new government-financed projects in the region (in Angola, Zambia and Zimbabwe).

66. In addition, since the last report, the DMFAS Programme has undertaken installation or training missions to Côte d'Ivoire, Mauritania, Rwanda, Sao Tome and Principe, Sudan, Zambia and Zimbabwe. There is growing interest by Governments in the services provided by the DMFAS Programme: needs assessment demonstration missions were undertaken in Angola, the Central African Republic, Gabon and Guinea.

67. In Rwanda, preparatory work was carried out in the area of debt sustainability analysis within the framework of the HIPC initiative. The DMFAS Programme received two officials from Burkina Faso to be trained in the new DMFAS system and to build an interface between DMFAS and the country's budgetary software.

68. The DMFAS Programme continued to strengthen its regional initiatives by cooperating actively in the debt management training activities of the Macroeconomic and Financial Management Institute of Eastern and Southern Africa (MEFMI), located in Harare, and of the West African Institute for Financial and Economic Management (WAIFEM), located in Lagos. The Programme also sought to increase its regional support to the French-speaking countries in West Africa and in particular has opened negotiations with the Banque des Etats d'Afrique Centrale (BEAC) to provide joint training activities in the area of debt management.

D. International investment and enterprise development

1. Investment

69. UNCTAD's work in investment in Africa included a survey conducted jointly with the International Chamber of Commerce (ICC) of transnational corporations regarding their views on the prospects for FDI in Africa. This complemented the results of a similar survey among African investment promotion agencies published in the UNCTAD World Investment Report 1999.

70. A special booklet entitled "FDI in Africa. Performance and potential", prepared by UNCTAD, which describes the current state and trends of FDI in Africa, analyses investment opportunities in Africa and discusses policy measures at the national as well as the international level to promote further flows of FDI into Africa, was launched by the Secretaries-General of the United Nations and the ICC. On the basis of this booklet, a fact sheet entitled "Focus on the new Africa" was produced in cooperation with the ICC, UNDP and the Multilateral Investment Guarantee Agency (MIGA) and distributed widely to business executives and investment promotion agencies, etc.

71. A project on "Investment guides and capacity-building for least developed countries", undertaken jointly with the ICC, is continuing. In addition to Ethiopia, such guides are in preparation for Madagascar, Mali, Mozambique and Uganda (in the pilot stage).

72. UNCTAD's Advisory Services on Investment and Technology (ASIT) organized workshops and round tables in Gambia and Uganda on issues related to the design of an investment code and investor targeting respectively. Officials from Lesotho and Uganda participated in a study tour to the investment promotion agency in Jamaica, which took place in December 1999. A project in Kenya was finalized for strengthening the capacity of the Investment Promotion Centre to target foreign investors more effectively.

73. Studies were prepared on the present investment legislation in Egypt and Morocco. Arab countries from Africa participated in a regional workshop in Morocco in June 1999. In Egypt, after completion of the investment policy review, a training programme for Egyptian diplomats was designed and training is being carried out. In cooperation with the North African Unit of ECA, UNCTAD assisted in the implementation of a workshop on the investment potential of the region.

74. In cooperation with other multilateral organizations such as UNIDO and MIGA, the participation of investment promotion agencies from Africa in the work of the World Association of Investment Promotion Agencies (WAIPA) was facilitated. The aim is the exchange of best practices and successful approaches in investment promotion. With the assistance of UNCTAD, investment promotion agencies from Africa also participated in the Emerging Market International Fair held in Geneva in May 1999.

75. An investment policy review was completed for Uganda. A follow-up programme has been implemented in order to discover the country's potential for investment. A comprehensive investment, science and technology policy review has been undertaken in Ethiopia in order to strengthen the competitiveness of the national economic and scientific potential.

76. A programming mission was undertaken in Djibouti on the country's economic potential for attracting investors.

2. Enterprise development

77. As reported in 1999, the project on "enhancing the participation of women entrepreneurs in LDC economies" has advanced considerably. Two seminars were organized in Ouagadougou in July 1999, one for Burkina Faso and another for 13 countries from the West African region.

78. The Entrepreneurship Development Programme (EMPRETEC) is UNCTAD's integrated capacity-building programme promoting the creation of sustainable support structures that help promising entrepreneurs build innovative and internationally competitive small and medium-sized enterprises (SMEs), thereby contributing to the development of a dynamic private sector. EMPRETEC projects are operational in Botswana, Ethiopia, Ghana, Morocco, Nigeria and Zimbabwe.

79. UNCTAD's cooperation on entrepreneurship development with UNDP is undertaken within the framework of "Enterprise Africa", launched by UNDP's Bureau for Africa. In Ethiopia, with the assistance of UNCTAD, an advisory board was established and Enterprise Ethiopia is now fully staffed. In Morocco, assistance is being given to the Office de la Formation Professionnelle et de la Promotion du Travail (OFPPT) to develop the managerial and training capacity to execute EMPRETEC Maroc, and to link it to the worldwide network of EMPRETEC entrepreneurs. The EMPRETEC programme has been linked to the Mediterranean 2000 programme for the development of SMEs in order to assist them to grow and compete. Ten developing countries in the Mediterranean Basin and the Horn of Africa are involved in this project. During 1999, activities were consolidated in Egypt, Ethiopia and Morocco.

80. Future projects include follow-up to discussions held in 1999 with the United Nations Industrial Development Organization, the Food and Agriculture Organization and the Fair Trade Organisation (based in the Netherlands) to develop a practical assistance module for the agribusiness sector, including coordinating inputs from various specialized agencies, ranging from basic seed planting activities to the more sophisticated export activities. During the current year, two pilot experiences will be initiated in Africa and Latin America.

81. UNCTAD's other enterprise development activities are undertaken under the programme on Centres for Innovation and Enterprise Development (CIEDs), which constitute an emerging network of change-generating agencies designed to promote technological innovation in manufacturing firms, and to stimulate the development of networks for innovation among firms, and between firms and local knowledge-producing institutions. The programme's pilot phase includes Côte d'Ivoire, Ghana, the United Republic of Tanzania and Zimbabwe. CIEDs have been established in Kumasi (Ghana) and Harare (Zimbabwe).

82. During 1999, surveys on the accounting needs of SMEs were conducted in Botswana, Cameroon, Kenya and Morocco through the network of experts from the Intergovernmental Working Group of Experts on International Standards of Accounting and Reporting (ISAR). The surveys are part of a background study that ISAR will consider at its seventeenth session. ISAR deliberations and future consultations are expected to result in guidelines on accounting by SMEs. These guidelines are expected to help the SME sector to strengthen its accounting capacity. African member States, whose economies are generally dominated by SMEs, may find the guidelines particularly relevant.

E. UNCTAD/UNDP Global Programme on Globalization, Liberalization and Sustainable Human Development

83. In the context of this programme, three country assessment studies on the impact of globalization on economic, social and human development and the policy implications for meeting the future challenges of managing integration into the global economy in a manner supportive of sustainable human development have been carried out in Botswana, Malawi and Zimbabwe. National workshops were held between December 1999 and April 2000.

84. Recognizing that the benefits and opportunities of globalization have so far been spread very unevenly, all studies have stressed the need to bring about greater coherence and compatibility for economic liberalization policies and policies aimed at promoting social and human development.

85. The studies have provided a basis for building a consensus, in specific national contexts, among the development actors (government, the private sector, research institutions and non-governmental organizations), on the evaluation of their country's development experience. The national workshops, organized in each country to facilitate the dialogue across the different constituencies, have helped identify the challenges ahead in the process of integration into the global economy and the areas where capacity building is needed in order to better face these challenges.

86. The African Regional Policy Dialogue (Windhoek, Namibia, 8-10 May 2000) was the last of a series of three dialogues held in Latin America, Asia and Africa. These dialogues were aimed at reviewing the regional experiences of globalization and the development strategies pursued in different regional contexts, in order to advocate the integration of sustainable human development objectives into the ongoing economic integration processes in developing countries. The three dialogues involved substantial participation by representatives of academia, the business community, government and non-governmental organizations of the countries in the region. They were organized by the International Centre for Trade and Sustainable Development, a Geneva-based NGO, under the aegis of the Global Programme.

F. United Nations System-wide Special Initiative on Africa (UN-SIA)

87. Activities undertaken in the context of the UNCTAD/WTO/ITC Joint Integrated Technical Assistance Programme for Selected Least Developed and Other African Countries (JITAP), the Integrated Framework for Trade-related Technical Assistance to support least developed countries in their trade and trade-related activities, and the UNDP/UNCTAD technical assistance programme for Africa have all been brought to the attention of the UN-SIA secretariat. The United Nations Secretariat brought these matters to the attention of the Committee for Programme and Coordination. In addition, UNCTAD has provided a briefing to the ninth session of the Steering Committee of the SIA on work on the draft Operational Framework for Action on Diversification of African Economies. It was decided that UNCTAD would call for a meeting of interested agencies to undertake an assessment of how to implement the draft Operational Framework at the country and subregional levels.

POST-CONFLICT REHABILITATION AND DEVELOPMENT

A. Somalia

88. The project "Port and trade efficiency for the economic recovery of Somalia" started in April 1998 and is scheduled to be completed at the end of 2000. The project activities are now concentrated in northern Somalia and benefit about 35 per cent of the population. The project builds on work undertaken since 1993 in the south of the country. UNCTAD's projects in Somalia have been mainly funded by UNDP and other donors. The European Union and Sweden have also contributed to maintaining a constant level of expenditures of about US$ 1 million per year. The ultimate aim is to contribute to the national reconciliation and governance of Somalia.

89. During 1999, UNCTAD's private sector and trade development programme for Somalia, together with the International Telecommunication Union and UNDP, co-sponsored two workshops in the telecommunications sector. As a basis for further work, Somali telecommunications operators adopted a Memorandum of Understanding on the establishment of a regulatory framework for the telecommunications sector in Somalia. Activities have also been initiated in other sectors, including assistance to frozen meat exporters, money transfer companies and airline operators.

B. Ethiopia

90. The above project is also helping to cope with the new transport patterns resulting from conflict in the region. Commercial and relief cargoes for Ethiopia are now moving through Djibouti. Berbera (in Somalia) is also starting to have a role in this trade. An audit of transit transport has been conducted, which pointed to the need to improve the road from Berbera to Ethiopia, rebuild the destroyed bridges along that road and rationalize the border and traffic controls in order to speed up trade.

Notes

[1] The beneficiary countries are Benin, Burkina Faso, Côte d'Ivoire, Ghana, Kenya, Tunisia, Uganda and the United Republic of Tanzania.

[2] Donors include Austria, Belgium, Canada, Denmark, Finland, France, Germany, Ireland, the Netherlands, Norway, Sweden, Switzerland and the United Kingdom.

[3] Burkina Faso, Côte d'Ivoire, Ghana, Kenya and Uganda.

[4] See TD/B/EX(21)/2, para. 26.

[5] See paras. 5-14.

[6] Countries participating in these events were: Algeria, Benin, Botswana, Burkina Faso, Burundi, Cameroon, Central African Republic, Chad, Congo, Côte d'Ivoire, Egypt, Ethiopia, Eritrea, Gabon, Gambia, Ghana, Guinea, Kenya, Lesotho, Liberia, Malawi, Mali, Mauritania, Mauritius, Morocco, Namibia, Niger, Nigeria, Senegal, Sudan, South Africa, Togo, Tunisia, Uganda, United Republic of Tanzania, Zambia and Zimbabwe.

[7] Angola, Burkina Faso, Burundi, Central African Republic, Chad, Côte d'Ivoire, Djibouti, Egypt, Guinea-Bissau, Mauritania, Rwanda, Sao Tome and Principe, Senegal, Sudan, Togo, Uganda, Zambia and Zimbabwe.

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